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News from the Chamber of Commerce of the United States

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been seeing, a message addressed to the President and members of the Congress' over the name of the Chamber of Commerce of the United States. The message is presented in form of an advertisement. Its burden is to freeze government too. It points out under the current program of controls and freezes, the government is asking workers and women to make sacrifices in holding wage demands. It is asking business to make sacrifices in holding down prices. The question is then asked, who

Chamber of Commerce of the United States

1615 H Street, N.W. Washington, D.C. 20062

Subject:

FOR IMMEDIATE RELEASE
MONDAY, April 18, 1977

Contact: Ted Princiotto
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NATION'S NO. 1 SMALL BUSINESSMAN AND ENTREPRENEUR OF SMOKE DETECTORS RAPS PROPOSED FEDERAL AGENCY

WASHINGTON, Apr. 18 -- Small business would be "put to panic," not helped, by a new federal agency that would regulate the development of industry standards for thousands of manufactured products, the nation's honorary No. 1 small businessman told a Senate committee today.

Duane D. Pearsall of Lakewood, Colo., who built a bustling multimillion-dollar business from the manufacture of household smoke detectors, said contemplation of such an agency left him in a state of "shocked disbelief."

Mr. Pearsall -- designated "Small Business Person of 1976" by the U.S. Small Business Association -- testified against the proposed agency as a witness for the Chamber of Commerce of the United States and its Small Business Council. He was accompanied by J. Fred Byset, Executive for the Chamber's Antitrust and Trade Regulation Committee.

Flatly rejecting claims the present standards system stifled competition and impeded small business, Mr. Pearsall told the Senate Subcommittee on Antitrust and Monopoly:

"The sympathy, personal attention and assistance provided by the existing system was our salvation. We were brought back from the brink of financial disaster and put on the road to success. Because of help from our present system our sales have grown from half a million to over \$10 million in the past four years."

If there is any hazard facing small business, he added, it was the threat of still another federal agency. Speaking of agencies already burdening business, he asserted:

"If a federally controlled standards program entailed the same degree of regulation and paperwork as OSHA, EPA and ERISA, small business people would be put to panic. They would be discouraged from participating in the standards process."

Mr. Pearsall is president of the Statitrol Division of Emerson Electric Co., which makes a device known as "Smoke Guard." He was primarily responsible for the Statitrol operation's dramatic success before it became an Emerson division. He also has been active in numerous committees and boards that currently develop safety standards for smoke and other fire protective equipment.

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The standards, in the case of fire protective equipment, are primarily safety factors designed to protect and give the public confidence in their use. Private industry also develops similar criteria that make products interchangeable or more easily identified because of common characteristics. Nuts and bolts, for example, are manufactured according to standards that allow users to replace one with another.

Literally thousands of such products are manufactured according to standards, and then tested in accredited laboratories to see if they meet the nationally accepted standards.

Citing his own small-business success, the witness challenged a series of claims in the Senate bill that the present privately operated system stifled competition, impeded small business, discouraged new product development and left no recourse for appeals.

It is not true, Mr. Pearsall insisted, that the present system inhibits small business. His own company, before being acquired by Emerson, had sunk to only two employees when it began its dramatic climb upward in sales.

Its first product, a battery-powered smoke detector, was developed before an appropriate standard existed that would permit marketing the new device. But the standards were developed and the product tested within a period of two years.

"At the time," he said, "I felt a good deal of anxiety. My company was having financial difficulties. But on reflection it was a proper procedure. The standards-making body and the laboratory were concerned about safety. To put a product on the market purporting to detect fires which does not perform dependably is far more dangerous than no detector at all. A poorly performing detector gives a false sense of security."

He cited a similar experience with a commercial detector device that originally failed to meet the standards. Instead of standing in the way of its development, he said, the standards-setting board and the laboratory assisted in making corrections to bring it up to standard.

As a result, he said, the device, known as an ionization detector, was the first such commercial device to "receive a label of approval in the United States."

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NOTE TO EDITORS: Copies of his full statement are available from the Chamber News Department, 659-6233.